

## Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 ARAE-00 SSO-00 NSCE-00 USIE-00 INRE-00

CIAE-00 DODE-00 INR-11 NSAE-00 PA-04 RSC-01 PRS-01

SP-03 PM-07 NSC-07 SS-20 DRC-01 IO-14 EB-11 FEAE-00

COME-00 TRSE-00 OMB-01 AID-20 CIEP-03 AF-10 EA-11

EUR-25 NEA-14 /185 W

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FM AMEMBASSY CARACAS

TO SECSTATE WASHDC IMMEDIATE 5967

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E.O. 11652: N/A

TAGS: ECIN, ENRG, VE

SUBJECT: REACTION OF PRIVATE SECTOR LEADERS TO PRESIDENT  
FORD'S UNITED NATIONS ADDRESS

1. REACTION OF REPRESENTATIVES OF NON-POLITICAL  
INSTITUTIONS SUCH AS CENTRAL BANK AND PRIVATE SECTOR ASSOCIATIONS  
TO PRESIDENT'S ADDRESS WAS CONSIDERABLY MORE MODERATE THAN COMMENTS  
OF VENEZUELAN POLITICIANS REPORTED SEPTEL. SOME SPOKESMEN  
SUGGESTED IMPROVED POSSIBILITY OF DEALING WITH THE OVERALL  
PROBLEM OF ADVERSE TERMS OF TRADE OF RAW MATERIALS  
PRODUCERS, AS ADVOCATED BY VENEZUELA FOR MANY YEARS..

2. CARLOS RAFAEL SILVA, VICE PRESIDENT OF THE CENTRA BANK,  
COMMENTED THAT IT APPEARS VERY SENSIBLE TO SIT DOWN AND DISCUSS  
THE STATE OF THE WORLD ECONOMY. HE SAID VENEZUELA HAS SU-  
PPORTED THESIS THAT THE LACK OF ORGANIZATION TO CONTROL AND  
ESTABLISH BALANCE IN THE WORLD ECONOMY IS ONE OF THE CAUSES  
OF INFLATION, BUT VENEZUELA'S EFFORTS HAVE BEEN UNFRUIT  
FUL. VENEZUELA CAN RESPOND TO FORD'S CRITICISM BY INVITING  
OTHERS TO PROVIDE FOR MORE ORDERLY TREATMENT, NOT ONLY OF  
PETROLEUM BUT ALL INTERNATIONAL COMMERCE, IN ORDER TO  
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PROVIDE BETTER COMPENSATION FOR RAW MATERIALS. THANKS TO

OPEC, VENEZUELA HAS BEEN ABLE TO STIMULATE NEGOTIATIONS TO OBTAIN BETTER TERMS OF TRADE BETWEEN RAW MATERIALS SUPPLIERS AND INDUSTRIALIZED NATIONS. FORD'S POSITION IS A REFLECTION OF THE IMPORTANCE OF THE PROBLEM.

3. FEDECAMARAS SAID THAT IT IS AN ADVANTAGE THAT U.S. HAS TAKEN ENERGY CRISIS AND PRICE PROBLEM TO A TRIBUNAL OF THE RANK OF THE UN. IT IS IMPORTANT THAT THE NERGY CRISIS NOT BE ANALYZED IN ISOLATION, UNILATERALLY, OR BY BLOCS OF COUNTIRES, BU RATHER BY THE UN, WHICH HAS BEEN CONCERNED WITH RAW MATERIALS PRICES, INTERNATIONAL COMMERCE AND LDC DEVELOP-. MENT. SPOKESMAN SAID FEDECAMARAS WILL COMMENT FURTHER NEXT WEEK, BUT COULD SAY IN ADVANCE THAT THE ORGANIZATION IS CRITICAL OF THE TONE OF FORD'S SPEECH, ESPECIALLY HIS COMMENTS ABOUT PRICES OF PETROLEUM AND RAW MATERIALS. ALTHOUGH IMPORTAN CHANGES HAVE RECENTLY OCCURRED IN THE WORLD SITUATION, LDCS STILL ARE NOT RECEIVING JUST TREATTMENT.

4. ANIBAL MARTINEZ OF NATIONAL FRONT FOR DEFENSE OF PETROLEUM (PRO VENEZUELA) SAID THE BURDEN IS ON THE U.S. TO DEMONSTRATE THAT THE JUST LEVEL OF CURRENT PETROLEUM PRICES IS THE CAUSE OF ALL SERIOUS ECONOMIC AND SOCIAL PROBLEMS OF HUMANITY. THIS IS EXACTLY OPPOSITE OF THE TRUTH. A CAMPAIGN TO DISCREDIT PETROLEUM EXPORTING NATIONS IS PART OF THE ENERGY POLICY OF THE UNITED STATES DESIGNED BY SECRETARY OF STATE KISSINGER. VENEZUELA HAS ALWAYS OFFERED COOPERATION BETWEEN PRODUCING AND CONSUMING COUNTRIES, BUT HAS ALWAYS BEEN REBUFFED. THREFORE, HE DOES NOT UNDERSTAND PRESIDENT FORD'S REFERENCE TO A LACK OF COOPERATION OF PETROLEUM EXPORTING COUNTRIES. THE REAL SITUATION IS EXACTLY OPPOSITE. THE BATTLE AGAINST PETROLEUM EXPORTERS IS ONLY BEGINNING. WE SHOULD REALIZE THAT THE POSITION OF CONSUMING COUNTRIES, EXPECIALLY THE UNITED STATES , IS BECOMING PROGRESSIVELY HARDER.

5. LE UNIVERSAL REPORTED THAT ECONOMIC LEADERS OF THE COUNTRY ARE AGREED THAT VENEZUELA AS A SOVEREIGN NATION CAN FIX ITS PETROLEUM PRICES ACCORDING TO WHAT IT CONSIDERS JUST. PEDRO TINOCO, FORMER FINANCE MINISTER AND PRESIDENT OF BANCO LATINO, SAID THAT EVERY COUNTRY

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CONSIDERS REASONABLE THE PRICE FOR WHICH IT SELLS ITS PRODUCTS AND EXAGGERATES THE PRICES FOR THAT WHICH IT BUYS. THIS EXPLAINS THE ATTITUDE OF U.S. TREASURY SECRETARY SIMON AND THE ATTITUDE OF OPEC. MARCELINO BARQUIN V.P. OF PRO VENEZUELA SAID VENEZUELA HAS THE SOVEREIGN RIGHT TO SET THE PRICE OF ITS MAIN EXPORT PRODUCT IN THE SAME WAY THAT THE DVELOPED COUNTRIES HAVE DETERMINED THE PRICES OF THIER EXPORTS. MARIANO RECIO, FINANCIAL

ANALYST IMPLIED THAT THE UNITED STATES IS TRYING TO SHUNT  
THE BLAME FOR ITS MONETARY MISMANAGEMENT ON THE  
PETROLEUM PRODUCERS. HE EMPHASIZED THAT THE U.S. HAD KEPT  
DOWN THE PRICE OF PETROLEUM IN THE UNITED STATES THUS  
CAUSING THE CURRENT ENERGY SITUATION.  
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